

**COMMONWEALTH OF PENNSYLVANIA**

**LOW-INCOME HOME ENERGY  
ASSISTANCE PROGRAM**

**FISCAL YEAR 2007**

**FINAL STATE PLAN**

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**PUB 223 9/06**

**THE MISSION OF THE DEPARTMENT OF PUBLIC WELFARE IS TO:**

Promote, improve, and sustain the quality of family life,

Break the cycle of dependency,

Promote respect for employees,

Protect and serve Pennsylvania's most vulnerable citizens,

and

Manage our resources effectively.

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**COMMONWEALTH OF PENNSYLVANIA  
LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM  
Fiscal Year 2007 Final State Plan**

## **INTRODUCTION**

The Department of Public Welfare (DPW) adopts the Commonwealth's Final State Plan for the Federal Fiscal Year 2007 (FY 2007) Low-Income Home Energy Assistance Program (LIHEAP), in accordance with the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of Pub. L. 97-35, the Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. Section 8621 et seq.) as amended by the Human Services Reauthorization Act of 1984 (Pub. L. 98-558), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Amendments of 1994 (Pub. L. 103-552), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58).

LIHEAP is a Federally-funded program which enables the State to help low-income households meet their home heating needs.

LIHEAP is administered by DPW and consists of three components: cash benefits to help eligible low-income households pay for their home-heating fuel; crisis payments, if needed, to resolve weather-related, supply shortage, and other household energy-related emergencies; and energy conservation and weatherization measures to address long-range solutions to the home-heating problems of low-income households. Energy conservation and weatherization services and certain related crisis payments are provided by the Department of Community and Economic Development (DCED), under its Weatherization Assistance Program in compliance with the Department of Energy and the Title XXVI requirements.

Although DPW administers LIHEAP, it is not a public assistance program. LIHEAP is a grant that does not have to be repaid. Eligible low-income households will not have liens placed on their property, nor will other assets affect their eligibility for LIHEAP benefits. In addition, eligibility for public assistance benefits is not affected by receipt of LIHEAP benefits.

## **LIHEAP FEDERAL FUNDING**

President Bush's FY 2007 budget request was released on February 6, 2006. The budget proposes to fund the FY 2007 LIHEAP at \$1.782 billion in block grant funds with no emergency contingency funds. The Final State Plan is based on a \$1.782 billion Federal appropriation. Pennsylvania's share of this block grant amount is estimated at \$119 million.

DPW estimates that \$21 million in Federal LIHEAP funds will be available as

carry-over from FY 2006 to FY 2007. Approximately \$700,000 in State Energy Conservation Act funds are anticipated for program year 2006-07. Pennsylvania has been awarded \$2.3 million in Federal LIHEAP leveraging funds. On September 12, 2006, Pennsylvania received an award of \$11.2 million in Federal emergency contingency funds for FY 2007. These allocations result in a total budget of \$154.2 million. Fifteen percent of the block grant will be transferred to the DCED for the Weatherization Assistance Program and up to ten percent of the block grant will be allocated for administrative costs, leaving a minimum adjusted total of \$124.5 million available for LIHEAP benefits.

While the final Federal LIHEAP budget is not known and may not be known before the program opens, the FY 2007 LIHEAP Final State Plan is based on the expected Federal appropriation of \$1.782 billion and a projected budget of \$124.5 million available for LIHEAP benefits in Pennsylvania. If the level of funding were greater than anticipated, DPW would explore the feasibility of increasing benefit levels, operating a longer cash and/or crisis component, or a combination thereof. DPW has no assurance that emergency contingency funds, if authorized and appropriated, would be issued at the same funding level as in FY 2006.

## **PUBLIC COMMENT**

In addition to soliciting advice from the LIHEAP Advisory Committee (LAC), DPW held public hearings on the LIHEAP proposed Plan for Fiscal Year (FY) 2007 in compliance with Federal LIHEAP requirements. This year, hearings were held in Pittsburgh (July 6), Philadelphia (July 13), and Harrisburg (July 14). A total of 71 persons attended the hearings: 30 in Pittsburgh; 23 in Philadelphia; and 18 in Harrisburg. A total of 31 individuals provided oral testimony at the hearings and 27 individuals presented written mail-in testimony. LAC recommendations and all other comments and testimony were taken into consideration in developing program parameters for the Final State Plan.

## **PROGRAM PARAMETERS**

The FY 2007 LIHEAP parameters include an opening date of November 6, 2006 and closing date of March 22, 2007 for both the cash and crisis components, establishment of the income eligibility limit at or below 150 percent of the Federal Poverty Income Guidelines (FPIGs), a minimum cash benefit of \$100, and a maximum crisis benefit of \$300.

### **Program Year**

Based on anticipated available funding for benefits and administrative costs, DPW proposed opening the cash and crisis components simultaneously on November 6, 2006. A simultaneous closing date of March 22, 2007 for the cash and crisis components was also proposed.

Comment:

Public hearing testimony supported various forms of program extension. Ten testifiers recommended the institution of a year-round energy program or a summer cooling program, stating heat-related emergencies can be just as dangerous as cold weather emergencies.

Twenty-six testifiers supported an earlier program opening date in October to allow for fuel delivery and reconnection of utility service going into the heating season. Twenty-one testifiers suggested October 1, 2006 as a proposed opening date, which coincides with the opening of the \$1 Energy Fund. One testifier recommended October 2, 2006, and three recommended November 1, 2006 for the LIHEAP start date.

Eleven testifiers supported a program closing date in April. Seven testifiers recommended a LIHEAP closing date of April 30, 2007 and two recommended closing in May 2007. April dates were proposed to allow more households with public utility service to apply for crisis benefits based on termination notices.

Four testifiers suggested establishing a permanent schedule for program opening and closing dates. Permanent dates were recommended for greater ease of administration and to avoid confusion among the public.

Response:

The proposed program dates were determined by expenditure projections, based on available funding and traditional expenditure patterns, and represent the maximum length for which the program can be sustained. Therefore, the program dates will remain as proposed, with the FY 2007 cash and crisis components opening simultaneously on November 6, 2006 with a simultaneous cash and crisis component closing date of March 22, 2007.

If the Federal appropriation changes significantly, DPW will adjust the program operating dates as necessary. As has been the practice in previous years, DPW will make a determination by February as to whether funds are available to extend the program.

**Income Eligibility Guidelines**

Based on anticipated funding, DPW proposed a maximum income eligibility limit of 135 percent of the FPIGs for the FY 2006 LIHEAP.

Comment:

Forty-three testifiers supported an increase in the income eligibility limit to 150 percent of the FPIGs for the cash and/or crisis components of LIHEAP. An increase to 150 percent of the FPIGs was supported, in part, for the following reasons:

- Each of the Pennsylvania Public Utility Universal Service Programs – the Customer Assistance Program, the Low-Income Usage Reduction Program, the CARES and the Hardship Programs – are set at 150 percent eligibility levels;
- A revised FPIG would coincide with the 150 percent weatherization guideline used by DCED;
- The majority of neighboring states are at or above 150 percent of the FPIGs;
- The Pennsylvania Public Utility Commission (PUC) defines “low-income” as at or below 150 percent of the FPIGs;
- Energy costs have risen at a significantly higher rate than cost-of-living increases for seniors, the disabled, and the working poor.

Response:

Based on public hearing testimony and direction from the Governor’s Office, DPW will establish the maximum income eligibility limit at 150 percent of the FPIGs for both the cash and crisis components of LIHEAP.

The income limits for FY 2006 and FY 2007 at 150 percent of the FPIGs are listed below:

<u>Household Size</u>	<u>FY 2006 Income Limit</u>	<u>FY 2007 Income Limit</u>
	<u>150%</u>	<u>150%</u>
1	\$14,355	\$14,700
2	19,245	19,800
3	24,135	24,900
4	29,025	30,000
5	33,915	35,100
6	38,805	40,200
7	43,695	45,300
8	48,585	50,400

For each additional person add:

\$ 4,890

\$ 5,100

**Minimum Cash Benefit**

DPW proposed to maintain the minimum cash component benefit of \$100.

Comment:

Two testifiers recommended maintaining the minimum cash benefit amount of \$100 to provide for a meaningful, cost-effective benefit. One testifier suggested a higher minimum amount based on the increase in energy prices.

Response:

DPW has made the decision to maintain the minimum cash component benefit at \$100 to provide a meaningful benefit amount for low-income Pennsylvanians living on fixed incomes.

**Maximum Crisis Benefit**

DPW proposed to maintain the maximum crisis component benefit of \$300.

Comment:

One testifier suggested that the \$300 maximum crisis benefit be raised to between \$400 and \$450. However, nineteen testifiers suggested that the crisis maximum benefit amount be increased to \$600 due to higher fuel costs and greater demand for emergency energy assistance.

Response:

Given available Federal funding, DPW has made the decision to maintain the maximum crisis component benefit of \$300.

**Weatherization Transfer**

The amount of funds allocated to DCED for the Weatherization Assistance Program will be 15 percent of Pennsylvania's Federal LIHEAP block grant allocation.

Comment:

Public hearing testimony was split on this issue. Ten testifiers supported continuation of the 15 percent transfer of the LIHEAP block grant allocation to DCED and three supported an additional transfer of 15 percent of any federal emergency contingency funding received. Reasons for support of the 15 percent weatherization transfer to DCED included:

- Reducing fuel consumption is a practical way of alleviating the burden of energy costs for low-income households;
- The benefits of weatherization continue year after year;
- Repair or replacement of dangerous or malfunctioning heating systems is a valuable public service.

Alternately, five testifiers recommended a reduction in the percentage of federal

block grant funds transferred to DCED for weatherization. Three testifiers suggested a 10 percent transfer to DCED; one recommended an 8 percent figure; and one proposed a 7.5 percent transfer.

The majority of testimony recognized the long-term benefits of home weatherization in the reduction of home energy costs. However, several reasons were given for the recommendation to reduce the percentage of the weatherization transfer:

- Weatherization services can only be provided to a limited number of households each program year;
- All regulated utilities in Pennsylvania have weatherization programs for low-income customers through LIURP;
- The U.S. Department of Energy provides weatherization funding;
- Lack of supplemental State funding.

Response:

As mandated by State law, 15 percent of the LIHEAP block grant must be allocated for weatherization. Therefore, DPW will transfer 15 percent of LIHEAP funds to DCED in the amount of \$17.85 million for FY 2007.

**PROPOSED CHANGE 1**

Public utilities that operate customer assistance programs (CAPs) will use LIHEAP cash component benefits to reduce a customer's monthly CAP budget or to reduce a customer's pre-program arrearage. LIHEAP cash component benefits may not be used to reduce utility CAP credits. A CAP credit is the difference between a customer's annual CAP billing and the annual actual usage billing.

Comment:

Four testifiers supported Proposed Change 1 as a means to provide a clear and tangible cash benefit to the CAP customer. However, thirteen testifiers opposed Proposed Change 1 for the following reasons:

- The proposal conflicts with the existing policy statement of the Pennsylvania Public Utility Commission (PUC) regarding CAPs;
- The proposal would shift more cost responsibility to non-CAP customers and could result in rate hikes for residential customers;
- The proposal could potentially eliminate regular monthly payments for some CAP customers and discourage consistent bill payment behavior;
- The proposal would require costly programming changes to implement;
- The proposal does not allow sufficient time to develop a communications plan, train staff, and educate customers;
- Not all CAP customers have a pre-program arrearage to which the cash grant can be applied.

Response:

PUC guidelines at 52 Pa. Code §69.265(9)(iii) state that “the LIHEAP grant should be applied to reduce CAP credits.” The PUC is currently reviewing CAP policy through Docket # M0051923. Pending the ruling of the PUC, we will not implement the change at this time. After the PUC ruling, we will consider implementing this change in the current or modified form.

**PROPOSED CHANGE 2**

DPW will reserve up to \$10 million in FY 2006 LIHEAP federal emergency contingency funds for transfer to DCED for weatherization assistance.

Comment:

Eleven testifiers supported Proposed Change 2. Testimony described the backlog of eligible households that are in need of assistance and that could avoid waiting months or years if sufficient funding were made available for use through September 2007. Testifiers noted that energy conservation measures are the best way to address high energy prices and that the Weatherization Assistance Program reduces energy consumption by an average of 20% per home.

Eight testifiers opposed Proposed Change 2, stating that emergency funds should instead be used for more urgent needs, such as paying utility termination notices to avoid service disconnection. Several testifiers noted that regulated utilities already provide certain Weatherization services through their Low-Income Usage Reduction Programs (LIURP) and that the U.S. Department of Energy provides funding for this purpose.

Response:

Based on public hearing testimony and evidence of the long-term returns to investments in weatherization, DPW will transfer \$10,000,000 in FY 2006 emergency contingency funds to DCED to provide weatherization assistance for eligible, low-income households.

**DEPARTMENT OF PUBLIC WELFARE &**  
**DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT**  
**CRISIS INTERFACE PROJECT**

The DPW/DCED Crisis Interface Project, implemented with the FY 1993 program year, will continue.

Under this LIHEAP crisis program integration, a portion of the LIHEAP funds allocated for weatherization will be used to alleviate specific LIHEAP crises. The following types of crises are included: the repair of a heating system; the repair of gas or other fuel lines; the replacement of an unrepairable heating system; the repair of broken windows; and pipe-thawing services. Specific DCED responsibilities include addressing the crisis situation within 48 hours, or 18 hours if the situation is considered to be life-threatening or health-threatening.

LIHEAP households with weather-related emergencies will be eligible to receive more expensive types of services provided through the Crisis Interface Project. Specifically, an average of \$2,826 is available to a household for weatherization services.

Applicants must apply through their CAOs or crisis contractor, where applicable, who is then responsible for determining LIHEAP eligibility and for identification of the type of crisis and service needed. At this point, DPW will either take steps to directly alleviate the crisis, or will refer the crisis to the local weatherization office for resolution. This will include a home visit for an evaluation as to the service needed to resolve the crisis and an assessment for weatherization services, if not previously provided.

## THE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

### FY 2007 FINAL STATE PLAN

#### ASSURANCES

The Governor of Pennsylvania has authorized the Secretary of Public Welfare to apply and reapply for Federal funds under the Low-Income Home Energy Assistance Program (42 U.S.C. Section 8621 et seq.), and to develop, approve and submit to the Federal government all State Plans and other related documents as may be necessary for the Commonwealth to obtain available funds to administer the program.

In accordance with the Low-Income Home Energy Assistance Act of 1981 (the Act) (Pub. L. 97-35), as amended by the Human Services Reauthorization Act of 1984 (Pub. L. 98-558), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Assistance Amendments of 1994 (Pub. L. 103-252), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58), the Commonwealth of Pennsylvania, through its Department of Public Welfare (DPW), submits this State Plan for operating the cash and crisis components of LIHEAP and will carry out the Federal requirements contained in Section 2605(b) of the Act as amended.

#### 1. Allotment of Funds

In accordance with Pub. L. 97-35, Section 2605(c)(1)(C), as amended, Pennsylvania will use the available funds to assist eligible households to meet the costs of home heating energy and will make payments only as specified.

The projected budget, based on percentages, is:

Cash benefits	up to 65 percent of available funds
Crisis benefits	up to 10 percent of available funds
Weatherization	up to 15 percent of available funds
Administrative and planning costs	up to 10 percent of available funds

Adjustments within the maximums will be made as needed, but will not exceed 100 percent of available funds.

#### 2. Eligible Households

In accordance with Pub. L. 97-35, Section 2605(b)(2), as amended,

Pennsylvania will make payments to, or on behalf of, households whose gross annual incomes are equal or less than the established percentage of the poverty level for the FY 2007 program, based on the poverty levels published on January 24, 2006 by the U. S. Department of Health and Human Services (DHHS).

Income limits for households to qualify for LIHEAP cash, crisis, and weatherization benefits are as follows:

<u>Household Size</u>	<u>Cash, Crisis, &amp; Weatherization 150 Percent of FPIG</u>
1	\$ 14,700
2	19,800
3	24,900
4	30,000
5	35,100
6	40,200
7	45,300
8	50,400

For each additional person add:

\$ 5,100

### 3. Public Education

In accordance with Pub. L. 97-35, Section 2605(b)(3), as amended, Pennsylvania will conduct public education activities to assure that eligible households, especially the elderly and disabled, and households with high home energy burdens are aware of assistance available under this Plan and that all applicant households have geographic access to application sites. Funds will be designated for public education activities as determined appropriate by the Secretary of the Department of Public Welfare.

Pennsylvania will inform individuals, groups, and families about LIHEAP through mass mailings, notices to the media, brochures, posters, and through voluntary and religious organizations.

Additional public education activities will include the following:

- Provision of reproducible public education materials to utility companies and fuel vendors, upon request, for use in such ways as bill messages.
- Home visits or applications with return, pre-stamped envelopes mailed to homebound individuals who need help in applying for benefits.

- Provision of applications for LIHEAP benefits to utility companies, fuel vendors, and community-based agencies, such as Area Agencies on Aging and Community Action Agencies, for distribution to prospective LIHEAP applicants.
- Provision of publicity materials to the Area Agencies on Aging directly and through the Department of Aging to inform the elderly population of LIHEAP benefits and requirements.
- Provision of information to persons with disabilities about the availability of energy-related assistance from advocacy groups working on their behalf.
- Provision of public education materials in Spanish to the Spanish-speaking community.
- Provision of brochures, which describe LIHEAP benefits and requirements to County Assistance Offices (CAOs) for distribution to public assistance applicants and recipients.
- Provision of publicity materials to other State and local government offices.
- Provision for the most effective use of Statewide and local resources in the public education effort through maximum use of appropriate agencies and networks.

#### 4. Coordination with Other Energy-Related Programs

In accordance with Pub. L. 97-35, Section 2605(b)(4), as amended, Pennsylvania has coordinated the planning process for the development of the State Plan with the following agencies:

- The Department of Community and Economic Development (DCED), which is the designated agency for weatherization programs under Title IV of the Energy Conservation and Production Act;
- The Department of Aging;
- Agencies represented on the LIHEAP Advisory Committee, including the Pennsylvania Council on Aging, Community Legal Services, DCED, Pennsylvania Utility Law Project, Utility Emergency Services Fund, \$1 Energy Fund, Energy Coordinating Agency, Community Action Association of Pennsylvania, Philadelphia Welfare Rights, Armstrong County Low-Income Rights, Office of Consumer Advocate, Pennsylvania Petroleum Marketers & Convenience Store Association, Energy Association of Pennsylvania, Pennsylvania Rural Electric Association, Public Utility Commission, and the Allegheny County Department of Human Services.

#### 5. Highest Benefits to Neediest Households

In accordance with Pub. L. 97-35, Section 2605(b)(5), as amended, Pennsylvania will provide, in a timely manner, that the highest level of assistance will be furnished to those households that have the lowest income and the highest energy costs in relation to income, taking into account household size, fuel type, and heating region. For weatherization services and the resolution of crises, the specific needs and the cost of such needs are considered in determining the level of assistance. Pennsylvania will not differentiate between households with incomes that do not exceed the established percent of the poverty level for the FY 2007 program and households in which one or more individuals are receiving Temporary Assistance for Needy Families, Supplemental Security Income, Food Stamps, or payments under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

#### 6. Participation of Local Administering Agencies

In accordance with Pub. L. 97-35, Section 2605(b)(6), Pennsylvania has designated local administrative agencies to carry out the provisions of this Plan and has given special consideration to local agencies that were receiving Federal funds under any low-income energy assistance or weatherization program. Pennsylvania has determined that the designated agencies meet program and fiscal requirements established by the State.

DPW, through its CAOs, will administer the provision of cash benefits and its outreach efforts, with the exception of specialized outreach to the elderly to be performed by the Department of Aging.

DPW will administer its energy crisis component through the CAOs, Community Action Agencies, and other local agencies with experience in administering energy crisis programs under the Low-Income Home Energy Assistance Act of 1981, or with experience in assisting low-income individuals and the capacity to undertake a timely and effective energy crisis intervention program.

#### 7. Home Energy Suppliers' Requirements

In accordance with Pub. L. 97-35, Section 2605(b)(7), as amended, Pennsylvania will pay LIHEAP benefits for eligible households directly to home energy suppliers, except when a supplier refuses to participate or a supplier has been removed from the list of participating vendors.

Pennsylvania will make payments only to those home energy suppliers who sign a standard vendor agreement. **EXCEPTION:** Occasionally a vendor will provide service one time only. In these instances, DPW will attempt to secure a signed agreement. However, payment will not be made until after crisis service has been rendered.

#### 8. Equitable Treatment of Renters and Owners

In accordance with Pub. L. 97-35, Section 2605(b)(8), as amended, Pennsylvania will treat owners and renters equitably. The application requirements for cash, crisis and weatherization benefits apply equally to both owners and renters and will not be limited to the categorically eligible.

9. Administrative and Planning Costs

In accordance with Pub. L. 97-35, Section 2605(b)(9), as amended, Pennsylvania's total estimated planning and administrative costs will not exceed 10 percent of the total LIHEAP funding appropriated, of which none will be transferred to any other block grant. Any administrative and planning costs in excess of 10 percent of Pennsylvania's total allocation, should they be incurred, would be paid from non-Federal sources.

10. Monitoring and Audit

In accordance with Pub. L. 97-35, Section 2605(b)(10), as amended, Pennsylvania will provide fiscal control and fund accounting procedures as necessary to assure the proper disbursement of funds, which includes monitoring payments and an annual audit of Pennsylvania's expenditures.

- Application Monitoring Procedures: All applications approved at the local agency level and forwarded for payment must pass all computerized eligibility checks before payment is made.

The computerized checking process includes:

- a. Check for duplicate Social Security Numbers;
- b. Check for duplicate payments;
- c. Check on family size, including any double-digit entries, and income;
- d. Check for total crisis payment above \$300;
- e. Determination of payment;
- f. All responses must be within acceptable established limits;
- g. All questions that require a response must be answered.

Applications failing any of the computerized tests are held in the error file

pending receipt of corrective information from the local office within established periods.

- Agency Monitoring Procedures: The monitoring process for FY 2007 LIHEAP consists of a three-phase review as follows:

- a. Reporting

- All agencies are required to submit reports to the Office of Income Maintenance, which reviews them to determine any administrative problems that the agency may be encountering. If necessary, a monitor will visit that county to observe the operation and suggest changes to alleviate existing problems.

- b. Systematic Review

- Approximately 25 percent of county operations are scheduled for review by a monitor during the program year. The review consists of an examination of case records and contacts with vendors and recipients, as needed, to determine if the agency is in compliance with State and Federal regulations.

- c. Unscheduled Visits

- Unscheduled visits will be used as an investigative measure. If information is received which suggests the possibility of misuse, misrepresentation, or any abuse, the monitor for the area will investigate the allegation.

- Audit Procedures: Pennsylvania agrees, in accordance with Pub. L. 97-35, Section 2605(e), as amended, to a financial and compliance audit by an independent agent annually, according to the Comptroller General's standards.

A copy of the audit will be submitted within 30 days after completion of the audit to the Governor, the General Assembly, and the Secretary of the Department of Health and Human Services. The audit report will also be made available to the public on a timely basis.

## 11. Federal Investigation

In accordance with Pub. L. 97-35, Section 2605(b)(11), Pennsylvania will permit and cooperate with Federal investigations undertaken in accordance with Pub. L. 97-35, Section 2608.

## 12. Public Participation

In accordance with Pub. L. 97-35, Section 2605(b)(12), as amended, Pennsylvania provided for timely and meaningful public participation in the development of the Plan as follows:

- A notice was published on April 22, 2006 in the Pennsylvania Bulletin (Pennsylvania's official gazette under the Commonwealth Documents Law) announcing the public hearings schedule and the availability of the proposed Plan for public comment.

- The LIHEAP Advisory Committee advised the Secretary of Public Welfare on the administration of the LIHEAP block grant, including a review of the proposed Plan and recommendations on the final Plan. Members of the Advisory Committee are appointed by the Secretary of Public Welfare and represent consumer and advocacy interests, service providers, fuel associations, and other concerned citizens of the Commonwealth.

- Copies of the proposed and final Plans are sent to Area Agencies on Aging, legal services groups, fuel and utility associations, community action agencies, and members of the LIHEAP Advisory Committee. Copies of the Plan are available for public review and comment at all CAOs.

- In accordance with Pub. L. 97-35, Section 2605(a)(2), public hearings on the FY 2007 LIHEAP proposed State Plan were held as follows:

Date: July 6, 2006  
Time: 10:00 A.M. – 12:00 P.M.  
Place: Allegheny County Courthouse  
 Gold Room, 4<sup>th</sup> Floor  
 436 Grant Street  
 Pittsburgh, PA

Date: July 13, 2006  
Time: 10:00 A.M. – 1:00 P.M.  
Place: Philadelphia State Office Bldg.  
 Rooms 602 & 604, 6<sup>th</sup> Floor  
 1400 Spring Garden Street  
 Philadelphia, PA

Date: July 14, 2006  
Time: 10:00 A.M. – 12:00 P.M.  
Place: Health & Welfare Building  
 Room 812, 8<sup>th</sup> Floor  
 Commonwealth & Forster Streets  
 Harrisburg, PA

- In addition to the opportunity for the public to comment on the LIHEAP weatherization component through DPW's LIHEAP public hearings, The DCED public hearing on the FY 2007 Department of Energy State Plan provided an opportunity for the public to participate in a timely and meaningful manner. It was held at 10 A.M. on May 10, 2006, located in Conference Room 4-East, 4<sup>th</sup> Floor, Commonwealth Keystone Building, Harrisburg, PA.

In developing the proposed and final Plans, DPW considers all public comments, both written and oral, on the program.

### 13. Fair Hearing

In accordance with Pub. L. 97-35, Section 2605(b)(13), Pennsylvania will provide an opportunity for an administrative fair hearing for applicants who believe that decisions regarding their eligibility for LIHEAP benefits are either inaccurate or unreasonably delayed.

The fair hearing process is more fully described under Appendix B, Determination of Eligibility for LIHEAP Cash and Crisis Benefits.

The fair hearing requirements for weatherization benefits are found in Appendix C.

### 14. Data Collection and Reporting

In accordance with Pub. L. 97-35, Section 2605(b)(14), Pennsylvania will cooperate with the Secretary of the Department of Health and Human Services with respect to data collection and reporting under Section 2610.

### 15. Additional Outreach and Intake Sites

In accordance with Pub. L. 97-35, Section 2605(b)(15), as amended, Pennsylvania will provide outreach and intake for heating and crisis assistance through additional State and local governmental entities, and through community-based organizations such as not-for-profit neighborhood-based organizations, Area Agencies on Aging, and community action agencies.

### 16. Reduction of Home Energy Needs/Need for Energy Assistance

In accordance with Pub. L. 97-35, Section 2605(b) as amended by Title III of the Health and Human Services Amendments of 1994, Pub. L. 103-252, Pennsylvania chooses not to exercise its option to use up to five percent of its allotment to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance.

#### 17. Energy Crisis Assistance

In accordance with Pub. L. 97-35, Section 2604(c), as amended, based on previous years' experience, Pennsylvania will reserve a reasonable amount of available LIHEAP funds until March 15, 2007 for energy crisis assistance.

Any unused balance of reserved crisis funds will be used to provide LIHEAP benefits for clients, except that a small amount may be reserved for start-up of the next year's program.

A household may receive more than one crisis payment during the program year, subject to a \$300 maximum amount for FY 2007.

#### 18. Nondiscrimination

In accordance with Pub. L. 97-35, Section 2606(a), Pennsylvania will:

- Not exclude from LIHEAP participation, deny LIHEAP benefits to, nor discriminate in any aspect of LIHEAP administration against any person on the basis of age, sex, race, color, religion, national ancestry or origin, handicap, or political belief.
- Comply with the provisions of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act of 1973, and the Pennsylvania Human Relations Act of 1955, as amended.

#### 19. Confidentiality

All information about a LIHEAP applicant or recipient is confidential and may be disclosed only for purposes of investigating or prosecuting suspected fraud or abuse, or cooperating with authorities regarding LIHEAP audits or investigations, or, with the consent of the applicant, for purposes of providing assistance related to home heating.

#### 20. Program Year

The opening date of the program establishes the official start date for accepting walk-in or new applications. However, program activities occur both before and after the dates for accepting applications. These include start-up activities, the processing of mail-out applications, and activities to close out the prior year's program. Expenditures for these activities are charged to the program year to which the costs relate. DPW may anticipate receipt of Federal funds by advancing State funds for program operation, which will be reimbursed once Federal funds are received.

## 21. Emergency Contingency Allocation

Any emergency contingency funds separate from block grant funds that may be issued by the U. S. DHHS during the period of time covered by the Pennsylvania Public Utility Commission's (PUC) Winter Termination Procedures, in effect from December 1 through March 31 of each year, will be considered for honoring utility termination notices issued by PUC-regulated utility companies, except if the emergency contingency funds are designated for another purpose.

## 22. Leveraged Resources

In accordance with Pub. L. 97-35, Section 2607 (a), 42 U.S.C. §8626, as amended, Pennsylvania will apply for leveraging incentive funds under the leveraging incentive program. Any leveraging incentive grant award will be used to maintain or increase benefits to low-income households as part of the Commonwealth's LIHEAP. Pennsylvania's LIHEAP is based on the availability of the various benefits provided with leveraged resources. Pennsylvania's LIHEAP and the benefits provided with leveraged resources are coordinated and provided in cooperation and conjunction with each other. The following leveraged resources are used to provide the described benefits to households with incomes that do not exceed 150 percent of the Federal Poverty Income Guidelines. They are categorized by the criterion, as defined by DHHS, under which eligibility was established.

To be counted under the leveraging incentive program, resources and benefits must meet at least one of the following three conditions which state, in part:

- i. LIHEAP had an active substantive role in developing the process.
- ii. Resources are mandated for distribution through LIHEAP.
- iii. Resources are appropriated or mandated for distribution under the LIHEAP State Plan to low-income households. They are not provided to low-income households as a part of (through or within) LIHEAP, but are a supplement and/or alternative to the LIHEAP.

To facilitate comprehension, specificity regarding individual resources, sources, etc., is provided in the chart following the narrative description. Note that Pennsylvania's leveraging resources meet criteria conditions ii & iii.

### CRITERION ii

#### Resources appropriated or mandated through the LIHEAP State Plan

The benefit from the resource is a part of a household's LIHEAP benefit, not an additional benefit that is not part of the LIHEAP program.

### CRITERION iii

#### Resources appropriated or mandated under the LIHEAP State Plan

Resources are appropriated or mandated for distribution under the LIHEAP State Plan to low-income households. They are not provided to low-income households as a part of (through or within) LIHEAP, but are a supplement and/or alternative to the LIHEAP.

They are coordinated and integrated with LIHEAP.

### CRITERION iii A

For all households served by the resource, the assistance provided by the resource depends on, and is determined by, the household's receipt of LIHEAP benefits. The resource supplements LIHEAP benefits that were not sufficient to meet the household's home energy needs and the amount of assistance provided by the resource is directly affected by the LIHEAP benefits received by the household.

### CRITERION iii B

Receipt of LIHEAP assistance in the base period is necessary to receive assistance from the resource.

### CRITERION iii D

#### Discount/credit for monthly billing and arrearage forgiveness

Various utilities provide customer assistance plans (CAPs) that offer reduced customer billing and/or arrearage forgiveness to LIHEAP-eligible households, those who have received LIHEAP benefits and those who meet Federal eligibility standards according to Pub. L. 97-35, Section 2605(b)(2), 42 U.S.C. §8624 (b) (2). The Pennsylvania Public Utility Commission (PUC) and the LIHEAP Advisory Committee (LAC) have been and continue to be significantly involved in the development of CAPs. For most CAPs, application for LIHEAP benefits is required to participate. The receipt of LIHEAP benefits is considered in the determination of an affordable payment plan for CAP customers. Sources include residential tariff rates, ratepayers, utility operating funds, and rate-based revenues.

#### Waived late payment charges, security deposit fees, and reconnection fees

The LIHEAP State Plan and the contract entered into by all vendors mandate the waiver of late payment charges for LIHEAP recipients. Although the waiver of security deposits or reconnection fees is not required, payment of security deposits with LIHEAP funds is prohibited. As a result of this policy and LAC involvement, some utilities waive such fees for LIHEAP recipients.

### CRITERION iii E

Cash grants/utility credits for LIHEAP recipients to assist in the payment of: home heating costs; the repair of home heating equipment and/or excavation costs to repair gas lines; and home weatherization materials and installation

Resources include private and utility fuel funds, social service agencies, and utility companies. Funding sources include: various utility funds such as utility shareholder funds, contributions from churches, individuals, corporations, private organizations, and Department of Aging/Human Services Development Funds (non-Federal). Payments supplement LIHEAP benefits, providing assistance for home heating expenses that are not covered under LIHEAP or in excess of the LIHEAP grant amounts. The Energy Association of Pennsylvania, PUC, client advocacy representatives, and representatives from major private fuel funds serve as members of the LAC, which works closely with DPW in the development and implementation of the LIHEAP. LIHEAP administrators at the local level interact with administrators of area utilities, social service agencies, and private fuel funds to coordinate and consolidate efforts, including reciprocal identification/referral of eligible applicants and confirmation of eligibility, for distribution of funds.

#### Income-in-kind for donated supplies

Heating-system materials and supplies donated by building and supply companies are provided to LIHEAP recipients. The agency administering the resource operates the LIHEAP crisis component, under contract with DPW, in the region.

### CRITERION iii G

The resource accepts referrals from the grantee's LIHEAP program and, as long as the resource has benefits available, it provides assistance to all households that are referred by the LIHEAP program and that meet the resource's eligibility requirements.

Some rural electric cooperatives and social service agencies, upon referral from LIHEAP program staff, issue cash payments on LIHEAP recipients' home heating bills as long as funds are available. The source of funds includes cooperative member and director contributions, utility matching funds, and United Way funds.

## LEVERAGING RESOURCES

Resource #	Name	Criterion	Resource(s)	Source(s)
1	Allegheny Power - Customer Assistance Program (CAP)	iiiD	Arrearage forgiveness and reduced monthly payment	Allegheny Power funds
2	Allegheny Power - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Allegheny Power funds
3	Allegheny Power - Waived Security Deposits	iiiD	Waiver of security deposits	Allegheny Power funds
4	Columbia Gas - CAP	iiiD	Reduced billing and arrearage forgiveness	Rate based revenues
5	Columbia Gas - Waived Security Deposits	iiiD	Waiver of security deposits	Rate based revenues
6	Columbia Gas - Waived Reconnect Fees	iiiD	Waiver of reconnection fees	Rate based revenues
7	Dollar Energy Fund, Inc.	iiiE	Cash payments to utility companies	Utility company shareholder funds and utility customer contributions
8	Dominion Peoples - CAP	iiiD	Reduced monthly payment	Utility base rate
9	Dominion Peoples - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Dominion Peoples rate payers
10	Dominion Peoples - Waived Security Deposits	iiiD	Waiver of security deposits	Dominion Peoples rate payers
11	Duquesne Light - CAP	iiiD	Reduced payments and arrearage forgiveness	Duquesne Light revenues
12	Duquesne Light - Dollar Energy Fund Match	iiiE	Cash payments toward energy bills	Duquesne Light revenues and fundraising efforts
13	Duquesne Light - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Duquesne Light funds
14	Duquesne Light - Waived Security Deposits	iiiD	Waiver of security deposits	Duquesne Light funds
15	Equitable Gas - Energy Assistance Program (EAP)	iiiD	Reduced billing	Residential tariff rates
16	Equitable Gas - Furnace & Energy-Related Home Repairs	iiiE	Supplemental payments for repair/replacement of defective heating equipment or gas lines	Equitable Gas residential hardship fund
17	Low-Income Usage Reduction Programs (LIURP)	iiiE	Cash payments for acquisition & installation of weatherization materials	Utility company rates
18	Metropolitan Edison - CAP	iiiD	Arrearage forgiveness and reduced billing	Rate based revenues
19	Metropolitan Edison - Hardship Fund	iiiE	Cash payments toward energy bills	Metropolitan Edison, customer, and employee donations
20	Metropolitan Edison - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Metropolitan Edison funds

## LEVERAGING RESOURCES

Resource #	Name	Criterion	Resource(s)	Source(s)
21	National Fuel - Low-Income Residential Assistance Rate	iiiD	Arrearage forgiveness and reduced billing	National Fuel funds
22	National Fuel - Neighbor for Neighbor Heat Fund	iiiE	Cash payments on home heating bills	National Fuel customers, stockholders, and employees
23	National Fuel - Waived Late Payment Charges	iiiD	Waiver of late payment charges	National Fuel funds
24	National Fuel - Waived Security Deposits	iiiD	Waiver of security deposits	National Fuel funds
25	PECO - CAP	iiiD	Arrearage forgiveness and reduced monthly payment	Utility rate base
26	PECO - Matching Energy Assistance Fund (MEAF)	iiiE	Cash payment on delinquent accounts to avoid termination	Customer contributions, agency funds, and shareholder match
27	PECO - Waived Late Payment Charges	iiiD	Waiver of late payment charges	PECO funds
28	PECO - Waived Deposit Charges	iiiD	Waiver of deposit charges	PECO funds
29	Pennsylvania Electric Co. (PENELEC) - CAP	iiiD	Arrearage forgiveness and reduced monthly payment	PENELEC rate base
30	Pennsylvania Electric Co. (PENELEC) - Hardship Fund	iiiE	Cash payments toward energy bills	PENELEC, customer, and employee donations
31	Pennsylvania Electric Co. (PENELEC) - Waived Late Payment Charges	iiiD	Waiver of late payment charges	PENELEC funds
32	Penn Power - CAP	iiiD	Reduced monthly payment	Penn Power rate base
33	Penn Power - REACH Hardship Fund	iiiE	Payments on past due bills	Penn Power, customer, and employee donations
34	Penn Power - Waived Late Payment Charges	iiiD	Waiver of late payment charges	Penn Power funds
35	PG Energy - Partners Program (CAP)	iiiD	Arrearage forgiveness and affordable payments for low-income customers based on percentage of income	PG Energy revenues
36	PG Energy - Waived Late Payment Charges	iiiD	Waiver of late payment charges	PG Energy revenues
37	Philadelphia Gas Works (PGW) - Conservation Works	iiiE	Cash payment for acquisition and installation of weatherization materials	PGW rate payers
38	Philadelphia Gas Works (PGW) - Customer Responsibility Program	iiiD	Reduced monthly billing	PGW rate payers
39	Philadelphia Gas Works (PGW) - CRP Arrearage Forgiveness	iiiD	Arrearage Forgiveness	PGW rate payers

## LEVERAGING RESOURCES

Resource #	Name	Criterion	Resource(s)	Source(s)
40	Philadelphia Gas Works (PGW) -Waived Late Payment Charges	iiiD	Waiver of late payment charges	PGW rate payers
41	PPL Electric Utilities - OnTrack Payment Program	iiiD	Reduced electric bill payments	PPL operating funds
42	PPL Electric Utilities - Operation HELP	iiiE	Cash payment for home energy bills	PPL, customer, and employee donations
43	T.W. Phillips - Energy Help Fund Program	iiiD	Reduced rate and/or arrearage forgiveness	T.W. Phillips rates
44	UGI Utilities - Electric Division - Low-Income Self Help Program	iiiD	Arrearage forgiveness and reduced monthly payment	<b>UGI funds</b>
45	UGI Utilities - Electric Division - Operation SHARE	iiiE	Cash payment to reduce bill arrearage or for emergency fuel, heating repair or replacement	UGI funds
46	UGI Utilities - Electric Division - Waived Late Payment Charges	iiiD	Waiver of late payment charges for LIHEAP customers	<b>UGI funds</b>
47	UGI Utilities - Gas Division - Low-Income Self Help Program	iiiE	Billing shortfall and pre-program arrearage forgiveness	UGI residential rates
48	UGI Utilities - Gas Division - Operation SHARE	iiiE	Voluntary contributions on behalf of payment-troubled customers	UGI customers, employees, and company donations
49	UGI Utilities - Gas Division - Waived Late Payment Charges	iiiD	Waiver of late payment charges	UGI funds
50	Utility Emergency Services Fund (UESF)	iiiE	Cash payments toward energy bills and in-kind contributions	Utilities match contributions from individuals, United Way, special events, foundations, fund raisers
51	Adams Electric Cooperative - Project Helping Hand	iiiA	Payments on past due bills	Member donations
52	Central Electric Cooperative - Family Fund	iiiA	Payments on past due bills	Cooperative members, employees, and company donations
53	Northwestern Rural Electric Cooperative - Member to Member Program	iiiG	Payments on past due bills	Cooperative members, employees, and company donations
54	Commonwealth of Pennsylvania	ii	State supplemental appropriation to augment LIHEAP benefits	PA gross receipts tax via State Act 81 of 2005
55	Energy Conservation Act Funds (ECAAF)	ii	Supplemental funding to augment LIHEAP benefits	Oil overcharge escrow funds and accrued interest
56	CITGO Petroleum - Low Cost Heating Oil Program	iiiB	Discounted fuel oil for customer purchase	CITGO fuel oil discount administered by Citizens Energy
57	SUNOCO Energy Assistance Program	iiiD	Filling heating oil tanks at no cost	SUNOCO fuel oil

**LEVERAGING RESOURCES**

Resource #	Name	Criterion	Resource(s)	Source(s)
58	Philadelphia Board of City Trust	iiiD	Natural gas payments and fuel oil deliveries	Trust funds and accrued interest
59	PPL Gas Utilities - CAP	iiiD	Reduced rates and arrearage forgiveness	PPL natural gas rates
60	PPL Gas Utilities - Operation SHARE	iiiE	Cash payments for home energy bills	PPL, customer, and employee donations

**APPENDIX A**

**HEATING REGIONS**

**State  
Heating  
Region**

**Counties**

- |   |  |
|---|--|
| 1 | Bradford, Cameron, Clearfield, Elk, Forest, Lackawanna, Luzerne, McKean, Potter, Sullivan, Susquehanna, Tioga, Wayne, Wyoming                                |
| 2 | Blair, Cambria, Carbon, Centre, Clarion, Clinton, Columbia, Crawford, Erie, Jefferson, Lycoming, Monroe, Pike, Schuylkill, Somerset, Venango, Warren         |
| 3 | Armstrong, Beaver, Bedford, Butler, Huntingdon, Indiana, Lawrence, Mercer, Montour, Northumberland, Westmoreland   |
| 4 | Adams, Allegheny, Berks, Bucks, Dauphin, Fayette, Franklin, Fulton, Greene, Juniata, Lebanon, Lehigh, Mifflin, Northampton, Perry, Snyder, Union, Washington |
| 5 | Chester, Cumberland, Delaware, Lancaster, Montgomery, Philadelphia, York   |

## APPENDIX B

### LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

#### GENERAL

##### **§601.1. Legislative base.**

The Low-Income Home Energy Assistance Program (LIHEAP) is a Federal block grant program authorized by the Low-Income Home Energy Assistance Act (Pub. L. 97-35, 42 U.S.C.A. §§8621-8629) as amended by the Human Services Reauthorization Act (Pub. L. 98-558, 98 Stat. 2878), the Human Services Reauthorization Act of 1986 (Pub. L. 99-425, 100 Stat. 966), the Augustus F. Hawkins Human Services Reauthorization Act of 1990 (Pub. L. 101-501), the National Institutes of Health Revitalization Act of 1993 (Pub. L. 103-43), the Low-Income Home Energy Assistance Amendments of 1994 (Pub. L. 103-252), the Coats Human Services Reauthorization Act of 1998 (Pub. L. 105-285), and the Energy Policy Act of 2005 (Pub. L. 109-58).

##### **§601.2. Purpose.**

The purpose of LIHEAP is to help eligible low-income households meet home-heating needs.

##### **§601.3. Definitions.**

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

**Budget Plan** – An optional billing procedure which averages estimated service costs over a 10-month, 11-month or 12-month period to eliminate, to the extent possible, seasonal fluctuations in bills.

**CAO** – County Assistance Office.

**Customer Assistance Plan** – Regular monthly payments, which may be for an amount that is less than the current bill for utility service, in exchange for continued provision of service.

**Date of Application** – The date that a completed application is received by the LIHEAP administering agency in the county where the applicant household lives.

**DCED** – The Department of Community and Economic Development of the Commonwealth.

**DPW** – The Department of Public Welfare of the Commonwealth.

Household – An individual or group of individuals, including related roomers, who are living together as one economic unit that customarily pays for its home-heating energy either directly to a vendor or indirectly as an undesignated part of rent.

LIHEAP – The Low-Income Home Energy Assistance Program.

Main fuel type – The source of energy for the central heating system of the residence used by the household or, if the residence is not centrally heated, the source of energy used most by the household.

Resident – A person whose permanent home is in this Commonwealth and who lives there voluntarily and not temporarily for a reason such as vacation, a visit or education.

Residence – The dwelling where the household is actually living. Under Section 601.105, the household must document if the household's residence is temporarily vacant for reasons beyond the household's control, such as health problems, plumbing and/or heating problems.

Roomer – An individual whose payment for lodging in a room includes heat and may include a private bathroom or one of the following:

- (i) Board.
- (ii) Kitchen or bathroom privileges on a shared basis.
- (iii) Light housekeeping facilities.

Secondary fuel type - One of the following:

(i) The source of energy for space heating to supplement that provided by the central heating system of the residence of the household.

(ii) If the residence is centrally heated by a form of energy other than that set forth in subparagraph (i), the source of energy that is needed to operate the central heating system.

(iii) If the residence is not centrally heated, a source of energy that is used for home heat to a lesser degree than the main fuel type.

Vendor - An agent or company that directly distributes home-heating energy or service in exchange for payment. The term does not include landlords, housing authorities, hotel managers or proprietors, rental agents, energy suppliers or generators, and other parties who are not direct distributors of home-heating energy or service.

Under the restructuring statute, the distribution companies are the suppliers of last resort; they remain regulated, and must comply with the State's winter termination rules. The interests of the Commonwealth's low-income customers are best served and protected by sending the LIHEAP payment to the distribution companies.

**§601.4. Components.**

LIHEAP is comprised of the following components:

(1) Cash component. The cash component provides cash payments to help eligible low-income households pay the costs of home heating.

(2) Crisis component. The crisis component provides benefits within 48 hours or, if a life-threatening situation exists, within 18 hours after application to resolve weather-related, supply-shortage and other household-home-heating emergencies of eligible low-income households.

(3) Weatherization. The weatherization component provides energy conservation and weatherization measures to help low-income households reduce the costs of home heating.

**§601.5. Administration.**

DPW will administer the cash component through its CAOs; and the crisis component through the CAOs, community action agencies, the Department of Community and Economic Development (DCED), and the other local organizations. DPW will administer the weatherization component through the DCED.

**§601.6. Program year.**

(a) DPW will announce the schedule for the current LIHEAP year in the State Plan for that year.

(b) DPW may extend or shorten the closing date of the cash or crisis components, depending upon the availability of Federal funds.

(c) During the periods before and after the official open and close dates, expenditures are made and are charged to the program year in which the costs relate.

(d) DPW may anticipate receipt of Federal funds by advancing State funds for program operation; the State will be reimbursed once Federal funds are received.

## APPLICATION PROCESS

### §601.21. Application completion.

A member of the applicant household shall complete an application within the established time frames for the program year. To complete an application for a LIHEAP benefit, the LIHEAP applicant, on behalf of the household, shall meet the following conditions. The applicant shall:

(1) Answer all questions on DPW's LIHEAP application form.

(2) Sign and date the application form.

(3) File the application form with the LIHEAP administering agency or any other agency designated by the LIHEAP administering agency to accept applications in the county where the applicant lives. Agencies other than the LIHEAP administering agency that are designated by the LIHEAP administering agency to accept applications are responsible for submitting such filed applications to the appropriate LIHEAP administering agency within three workdays after the applicant files the application; the eligibility decision, and benefits, may be delayed because the date of application is the date the LIHEAP administering agency receives the completed application.

(4) Provide income documentation.

(5) Provide documentation of responsibility for the payment of home heat.

(6) Provide additional verification, as needed and requested by the LIHEAP administering agency, to determine eligibility for LIHEAP and the amount of the benefit.

The original approved LIHEAP application and supporting documentation will be valid for eligibility and benefit determination for the duration of the program year. Updated supporting documentation may be required if a household changes vendor or residence.

### §601.22. Written notice.

The LIHEAP administering agency will send the applicant a written notice of the decision on eligibility within 30 days of the date of application.

(1) The written notice will include an explanation of fair hearing rights and procedures.

(2) The written notice will include the following:

(i) If eligible. If the household is eligible, the written notice will include the type and amount of the benefit and the names of the payee.

(ii) If ineligible. If the household is ineligible, the written notice will indicate the reason for the decision of ineligibility and provide a reference to the regulatory basis for the decision of ineligibility.

**§601.23. Incomplete applications.**

If an application is not complete, the LIHEAP administering agency will, within 10 workdays after receiving the application, provide a written notice to the client indicating what information is missing and will allow 15 days after the date of the notice for the client to provide the information to avoid rejection of the application. If the written notice indicating what information is missing is sent later than 10 workdays after receipt of the application, the notice must nevertheless allow 15 days for submission of the missing information. If the missing information is not received on or before the date specified by the written notice, the LIHEAP administering agency will reject the application on the basis that an eligibility decision cannot be made because the applicant has failed or refused to provide sufficient information needed to determine eligibility.

**§601.24. Application assistance.**

Upon request, LIHEAP staff will mail an application form or take other steps, which may include referral to other agencies that make home visits, to help a homebound person apply for LIHEAP benefits.

**ELIGIBILITY REQUIREMENTS**

**§601.31. General eligibility requirements.**

To qualify for LIHEAP cash or crisis benefits, a household shall meet the following requirements at the time of application:

(1) Income Limit. Federal law requires states to establish eligibility for LIHEAP based on an income limit that is no more than 150 percent and no less than 110 percent of the poverty level issued by the United States Department of Health and Human Services. The limits, which are subject to change annually, are published in each year's LIHEAP State Plan. For the 2006-07 program, Pennsylvania will use 150 percent of the poverty level.

(2) Responsibility for heating costs. For a cash benefit, the household shall be responsible for paying for its main source of heat either directly to a vendor or indirectly as an undesignated part of rent. For a crisis benefit, the household shall be responsible for paying for either its main or secondary source of heat either directly to a vendor or indirectly as an undesignated part of rent.

(i) The following persons and members of their households are considered to have a home heating responsibility:

(A) Home owners or renters, including subsidized housing tenants, who pay for home heating fuel or utility service for their residence directly to a vendor.

(B) Renters who pay for heat indirectly for their residence as an undesignated part of rent. Renters, including subsidized-housing tenants, are ineligible if their rental charge includes an undesignated amount for heat and is based on a fixed percentage of their income or on their source of income. **NOTE:** If a household in subsidized housing, which pays for rent and utilities as a fixed portion of its income, becomes responsible for payment to a vendor, either in full or in part, for its primary heating costs, that household then becomes eligible for a cash benefit, if otherwise eligible. If a household in subsidized housing, which pays for rent and utilities as a fixed portion of its income, becomes responsible for payment to a vendor, either in full or in part, for its primary or secondary heating costs, that household then becomes eligible for a crisis benefit, if otherwise eligible.

(C) Roomers who pay for their lodging in either a commercial establishment or in a private home which is their permanent and primary home. Roomers are ineligible if their charge for room or room and board includes an undesignated amount for their main fuel and is based on a fixed percentage of their income or on their source of income.

(ii) Persons are ineligible if they are in a temporary living arrangement for a reason such as a visit, vacation or education. Residents in institutions, dormitories, fraternity or sorority houses and boarding homes are ineligible.

(3) Residency. Household members must permanently reside in Pennsylvania.

(4) Alien Status. All qualified aliens, regardless of when they entered the United States, are eligible to receive LIHEAP if they meet other eligibility requirements. A qualified alien is:

(i) An alien lawfully admitted for permanent residence as an immigrant under the Immigration and Nationality Act (the "Act"), as defined in PRWORA.

(ii) An asylee granted asylum under section 208 of the Act.

(iii) A refugee admitted to the United States under section 207 of the Act.

(iv) An alien paroled into the United States under section 212(d)(5) of the Act for a period of at least one year.

(v) An alien whose deportation is being withheld under section 243(h) of the Act as in effect prior to April 1 1997, or whose removal is being withheld under section 241(b)(3) of the Act.

(vi) An alien granted conditional entry under section 203(a)(7) of the Act as in effect prior to April 1, 1980.

(vii) An alien who is a Cuban or Haitian entrant; or

(viii) An alien who (or whose child or parent) has been battered or subjected to extreme cruelty in the United States and otherwise satisfies the requirements of 8 U.S.C. §1641(c).

**§601.32. Eligibility requirements for crisis benefits.**

Households may apply for and, if eligible, receive crisis benefits regardless of whether they apply for or receive a LIHEAP cash benefit. To qualify for a crisis benefit, a household shall meet the following requirements:

(1) The household shall meet the general eligibility requirements under §601.31 (relating to general eligibility requirements), income limit, responsibility for heating costs, Pennsylvania residency and alien status.

(2) The household shall be without heat or in imminent danger of being without heat because of a weather-related or energy-supply-shortage emergency.

(3) The household shall be eligible for a crisis benefit that, alone or combined with other resources available to the applicant household, will resolve the home-heating emergency. Any credit balance with the vendor, including but not limited to LIHEAP cash benefits, is deemed an available resource.

(4) The applicant must provide proof of the home-heating emergency.

**PROVISION OF CASH BENEFITS**

**§601.41. Benefit amounts.**

(a) The amount of a LIHEAP cash benefit is based on the following household factors at the time of application:

(1) Household size. The members of the applicant household, regardless of relationship, including a roomer who is a relative of a household member, shall be counted when determining household size.

The following persons are not counted as household members when determining household size:

(i) Persons who are living with the applicant household but previously received a LIHEAP benefit as a member of another household during the program year.

(ii) Persons who are maintaining their living arrangement temporarily for a reason such as a visit, vacation or education.

(iii) Residents in institutions, dormitories, or fraternity or sorority houses, and boarding homes.

(iv) Aliens who are not qualified aliens as specified in §601.31(4) (relating to general eligibility requirements).

(2) Household income. Household income is determined as specified in §§601.81 through 601.84 (relating to income determination for cash and crisis benefits). For eligible households that have income from employment, household income for the purpose of benefit determination is derived by deducting 20 percent from the gross wages.

(3) Heating region. The heating region in which the household lives affects the benefit amount. The composition, by counties, of each of the five heating regions in this Commonwealth is tabulated in Appendix A.

(4) Fuel type. Although an eligible household may choose to have the cash benefit paid toward either its main or secondary type of home-heating fuel, the amount of the cash benefit is based on the main fuel type.

(b) The county by county benefit table for the cash component, which is subject to change annually, is available at the local CAO and on-line at the following DPW website: [www.dpw.state.pa.us](http://www.dpw.state.pa.us) under "Services for Low-Income Pennsylvanians," and then open the link labeled "Energy Assistance," and then open the link labeled "LIHEAP Benefit Amount Table."

**§601.42. Roomers.**

Eligible roomers receive 50 percent of the LIHEAP cash benefit for which they would otherwise qualify.

**§601.43. Number of payments.**

An eligible household receives only one LIHEAP cash benefit during a program year subject to the minimum benefit amount allowed under the current LIHEAP State Plan. If excess LIHEAP funds are available, DPW may issue a supplemental LIHEAP cash benefit.

**§601.44. Payees.**

(a) If the household pays for fuel directly, DPW pays the vendor on behalf of the eligible household unless the vendor refuses to participate in the program or has been removed from the list of participating vendors.

(b) If the household pays for heat as an undesignated part of rent or the fuel vendor refuses to participate in the program or has been removed from the list of participating vendors, DPW pays the benefit to the applicant for the household.

(c) Landlords, housing authorities, rental agents, hotel and rooming house proprietors and managers, and other parties who are not direct distributors of home heating, energy or service are ineligible for a vendor payment on behalf of an eligible household.

**§601.45. Application of Benefits.**

The vendor shall retain unused LIHEAP funds as a credit balance in the customer's account until the client changes vendors, leaves the area served by the vendor, or dies, but no longer than the end of the State fiscal year, June 30, immediately following the State fiscal year in which payment was authorized.

LIHEAP funds are available for use during a two-year period that includes the LIHEAP program year of receipt and through September 30<sup>th</sup> of the LIHEAP program year immediately following. For example: LIHEAP benefits authorized on November 28, 2005 are available for use through September 30, 2007.

Cash component payments received on behalf of a LIHEAP customer, and designated for payment for deliverable fuels, will be used to cover fuel customer purchases for the program year in which they are authorized.

LIHEAP benefits may not be used for security deposits or late payment charges.

**§601.46. Refunds.**

LIHEAP funds are available for use during a two-year period that includes the year of receipt and the year immediately following. All LIHEAP funds that have not been expended on or before June 30 of the year following the LIHEAP program year in which benefits were authorized must be refunded.

Refunds and reissuances of LIHEAP benefits are treated as follows:

(1) Refunds from the vendor. If the LIHEAP client changes vendors, leaves the area served by the vendor, or dies, the vendor shall refund the unexpended portion of the LIHEAP benefit to DPW's Comptroller's Office. Any unexpended LIHEAP benefits remaining in the customer's account as of June 30<sup>th</sup> of the year immediately following the State fiscal year in which payment was authorized shall be refunded to

DPW's Comptroller's Office. However, the LIHEAP recipient may use the remaining unexpended funds through September 30<sup>th</sup> of the year in which the remaining unexpended funds are returned. If a security deposit that had been paid with LIHEAP funds is to be returned, the vendor shall refund the security deposit to DPW's Comptroller's Office.

Example #1: LIHEAP benefits were authorized on November 29, 2005. The benefits are for FY 2006 covering October 1, 2005 through September 30, 2006. All funds remaining as of June 30, 2007 must be refunded to DPW. However, the unexpended funds are available for use by the LIHEAP recipient through September 30, 2007.

Example #2: LIHEAP benefits are authorized on January 23, 2006. These benefits are for FY 2005 covering October 1, 2005 through September 30, 2006. All funds remaining as of June 30, 2007 must be refunded to DPW. However, the unexpended funds will be available for use by the LIHEAP recipient through September 30, 2007.

(2) Reissuances to or on behalf of the client. DPW will reissue a vendor refund, as applicable, for the current or previous program year if the following conditions are met:

- (i) The whereabouts of the household are known.
- (ii) The household continues to reside in the Commonwealth.
- (iii) The household continues to have a home-heating responsibility.

## **PROVISION OF CRISIS BENEFITS**

### **§601.61. Benefit amounts.**

The amount of a crisis benefit is the amount needed to resolve the home-heating emergency, subject to the maximum LIHEAP crisis benefit allowed. A copy of the annual LIHEAP State Plan can be obtained from DPW. The household is ineligible for a crisis benefit which, alone or combined with other resources available to the household, will not resolve the crisis. Any credit balance with the vendor, including but not limited to LIHEAP cash benefits, is deemed available to resolve the crisis.

When the main or secondary fuel type is a deliverable fuel type, such as oil, kerosene, propane, wood or coal, the amount needed to resolve the crisis is based on whether the fuel is delivered by the vendor or transported by the applicant. If delivered, the amount needed to resolve the crisis is the amount needed to resolve the home-heating emergency, subject to the maximum LIHEAP crisis benefit allowed under the current LIHEAP State Plan. Crisis benefits may be used for off-hour delivery charges. If not delivered by the vendor, the amount needed to resolve the crisis is \$75 or the cost

of the maximum amount that can be transported by the household in one trip, whichever is greater. A statement from the vendor verifying the cost the applicant will incur when transported by a non-vendor is required prior to authorization of payment; a receipt verifying payment was made is not required prior to authorization of payment.

Vendors that accept crisis payments based on utility termination notices or based on reconnection of utility service must agree to maintain ongoing utility service to such households for no less than 30 calendar days from the date of the resolution of the crisis. Crisis benefits may be used for reconnect fees. With regard to crisis payments made pursuant to any grants approved during the Public Utility Commission winter termination procedure referred to in §601.62(2)(ii)(A), the earliest allowable termination date is considered to be 30 days following the resolution of the crisis or May 1, whichever is later.

All participating energy vendors will offer crisis recipients the opportunity to enroll in a Customer Assistance Program (CAP) or to establish a budget plan, if available, once the LIHEAP household is approved for a crisis grant. Only the energy vendor that receives the crisis grant is required to offer the CAP or budget plan.

**§601.62. Types of crisis benefits.**

An eligible household may receive crisis benefits for weather-related or energy-supply-shortage emergencies.

(1) Benefits for weather-related emergencies. Crisis benefits for weather-related emergencies may include the following types of assistance:

(i) The purchase of a new heating system if documentation is provided that the heating system cannot be repaired or repairs will correct the problem only temporarily.

(ii) Pipe thawing services if the household has a consistent problem with freezing pipes that cannot be repaired by a plumber and is related to heating the house.

(iii) The repair of a broken furnace, which may include filter replacement and chimney cleaning or repair.

(iv) The repair of a water-heating system, including repair of water pumps and accessories, if the system is essential for producing home heat.

(v) The repair of gas or other fuel lines when the lines feed the main heating source.

(vi) The repair of broken windows.

(2) Benefits for energy-supply-shortage emergencies. Crisis benefits for energy-supply-shortage emergencies include payment for the following:

(i) Home-heating fuel for a household that is out of fuel or in imminent danger of being without fuel. The payment may be for either the main or secondary fuel type and may include the cost of an added charge for off-hours delivery service. The payment amount will not exceed the cost of the delivery; including any necessary reconnect fees and/or minor furnace start-up costs. Any credit balance with the household's vendor will be deemed available to resolve the crisis and will be deducted from the household's benefit amount. If the amount of crisis benefits for which the household is eligible is less than the amount necessary to resolve the crisis, the credit balance will be considered an available resource in determining eligibility.

(ii) Utility bills to restore or continue home-heating service if the household is without heat or in imminent danger of being without heat because of actual or imminent termination of the main or secondary source of heat by a utility company. The payment may include the charge, if required, for a service reconnection.

**NOTE:** Crisis benefits may be approved in this instance based on issuance of a termination notice. The following applies:

(A) For utilities regulated by a governing body such as the Public Utility Commission, winter termination procedures prevent the termination of service without the governing body's approval from December 1 through March 31. Regulated utilities may still issue termination notices from December 1 through March 31. They cannot, however, act on these notices to terminate service without having been granted permission to terminate service by the governing body. In these situations, contact must be made with the utility to determine if the governing body has granted the utility permission to terminate service for the applicant household before crisis benefits may be authorized to relieve the emergency. The household is ineligible for crisis benefits if the utility has not been granted approval to terminate service. However, the application for LIHEAP by a customer with a utility termination notice will not be denied, but processing of payment will be delayed until DPW is assured of a secure funding source.

(B) For utilities not regulated by a governing body, a termination notice means that the utility has established a date when service will actually terminate, in accordance with the utility's current termination procedures. Documentation of the termination notice must be provided before crisis benefits may be authorized to relieve the emergency.

**§601.63. Number of payments.**

A household may receive more than one crisis benefit during the program year, subject to the maximum amount allowed under the current LIHEAP State Plan.

**§601.64. Payees.**

DPW pays crisis benefits directly to the vendor.

**§601.65. Refunds.**

Refunds and reissuances of LIHEAP benefits are treated as follows:

(1) Refunds from the vendor. If the LIHEAP client changes vendors, leaves the area served by the vendor, or dies, the vendor shall refund any unused LIHEAP funds to DPW's Comptroller's Office within 48 hours after the basis for the return is known. If, for any reason, the amount of the crisis benefits authorized is in excess of the amount needed to resolve the crisis, the excess must be returned to DPW's Comptroller's Office within 48 hours. Any unexpended LIHEAP benefits erroneously retained in the customer's account as of June 30 of the state fiscal year in which payment was authorized shall be refunded to DPW's Comptroller's Office within 48 hours of discovery.

(2) Reissuances to or on behalf of the client. DPW will reissue a vendor refund, as applicable, for the current program year if the following conditions are met:

- (i) The whereabouts of the household are known.
- (ii) The household continues to reside in the Commonwealth.
- (iii) The crisis for which benefits were authorized continues to exist.

**INCOME DETERMINATION FOR CASH AND CRISIS BENEFITS**

**§601.81. Income counted.**

To determine the income level of an applicant household for cash and crisis benefits, the LIHEAP administering agency counts the gross annual income of the following persons:

- (1) The household members, regardless of relationship.
- (2) A roomer who is related by blood, marriage or adoption to a household member.
- (3) A person living with the applicant who, as a member of another household, has already received a LIHEAP cash benefit during the program year.

**§601.82. Gross income defined.**

Gross income is the total earned and nonearned income of the household and includes the following:

- (1) Employee earnings. Employee earnings are money, including

wages, salaries, bonuses, commissions and tips, before taxes or other deductions, that a person receives for providing services on behalf of an employer.

(2) Profit from self-employment. Profit of a self-employed person is gross receipts minus costs of operating a business or farm, practicing a profession, providing day-care for children in an approved family day-care facility, or renting nonresident real property.

(i) The following expenses are among those that are not deductible from gross receipts:

- (A) Depreciation.
- (B) Personal business and entertainment expenses.
- (C) Personal transportation.
- (D) Purchase of capital equipment.
- (E) Payment on the principal of loans for capital assets or durable goods.

(ii) A loss from one source of income cannot be used to offset another source of income.

(3) Income from roomers, boarders or apartment renters. Gross income from providing room or board, or both, or from apartment rentals paid directly to a household member is computed under 55 Pa. Code §183.65 (relating to profit).

(4) Unearned income. Unearned income includes, but is not limited to, the following:

- (i) Public assistance grants.
- (ii) Social Security benefits.
- (iii) Workers' compensation.
- (iv) Supplemental Security Income.
- (v) Unemployment compensation.
- (vi) Support payments.
- (vii) Cash gifts and contributions.
- (viii) Pensions.

- (ix) Interest and/or dividends from investments or bank accounts.
- (x) Veterans' benefits.
- (xi) Interest withdrawn from Individual Retirement Accounts or Certificates of Deposit.

**§601.83. Treatment of income.**

(a) The applicant may choose whether the time period to be used in determining gross annual income shall be for the 12 months, 90 days, or the 30 days before the date of application. Regardless of the selected time period, income shall be converted to a yearly figure.

(b) If the total gross annual income of the household exceeds the established percentage of the poverty level for the current year, after all allowable exclusions, the household is ineligible.

**§601.84. Income exclusions.**

The following income will not be considered when determining gross yearly income for the purpose of establishing LIHEAP eligibility:

(1) Educational assistance from scholarships, grants, and loans to an undergraduate student unless it is solely for basic living needs such as housing and food and the amount of income from other sources used to pay out-of-pocket expenses for books and other required educational fees.

(2) All student financial assistance received from a program funded in whole or in part under Title IV of the Higher Education Assistance Act Amendments of 1992 (P.L. 102-325), or under the Bureau of Indian Affairs student assistance programs.

(3) Payments for services or out-of-pocket expenses to volunteers serving as foster grandparents, senior health aids or senior companions, and to persons serving in other programs under Title II of the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§5001-5024).

(4) Payments to volunteers for VISTA, Service Learning Programs and Volunteer Programs under Title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C.A. §§4951-4994).

(5) The value of coupons received by a participant in the Food Stamp Program.

(6) The value of donated foods -- surplus commodities -- from the United States Department of Agriculture.

- (7) The value of home produce of clients for household consumption.
- (8) Money received under the Senior Citizen Rebate and Assistance Act (72 P.S. §§4751-1 through 4751-12).
- (9) Money received as incentive or training-related expenses provided to persons involved in a work/training program sponsored by a Federal, State or local government agency.
- (10) Deductions for Medicare premiums deducted from Social Security benefit payments.
- (11) Amounts received as reimbursement for medical costs, medical transportation and special allowance items as defined under Chapter 138 (relating to allowances and benefits).
- (12) Cash or in-kind assistance with heating costs provided by private or public agencies or utility companies.
- (13) Personal loans, bank loans, other non-educational loans designated for a specific purpose from an established financial institution.
- (14) The portion of a Social Security lump sum death benefit designated for funeral expenses.
- (15) Up to the first \$50 of voluntary support from each legally responsible relative or court-ordered support that a household member actually receives in a given month, including support refunded during the month by DPW.
- (16) Agent Orange Settlement payments.
- (17) Earned Income Tax Credits (EITC) including anticipated monthly payments as well as year-end payments.
- (18) Income tax refunds.
- (19) Restitution payments made to individuals because of their status as victims of Nazi persecution.
- (20) Non-recurring lump sum payments.
- (21) Wage earnings of a dependent child under 18.

## VERIFICATION AND DOCUMENTATION

### **§601.101. Verification and documentation defined.**

The applicant shall provide sufficient information regarding the household's circumstances to enable the LIHEAP administering agency to determine LIHEAP eligibility and the amount of a LIHEAP benefit.

(1) Verification. The term refers to any form of convincing information, including oral statements or documentation.

(2) Documentation. The term refers to written or printed evidence, such as fuel bills, rent receipts, or pay stubs, that is needed to determine LIHEAP eligibility and the type and amount of the LIHEAP benefit.

### **§601.102. Income.**

(a) The applicant shall provide documentation of the amounts and sources of income of household members, including related roomers, as well as that of anyone in the household who received LIHEAP benefits during the current program year as a member of another household.

(b) The applicant shall report but is not required to document income of persons in the household whose income for at least 30 days before the date of application has already been documented and is available in a case record on file with the local CAO.

### **§601.103. Minimal or no income.**

If the applicant states that the household has minimal or no income, the applicant may be required, as a condition of eligibility, to produce evidence that will satisfactorily explain how the household members are meeting their financial obligations and basic living needs.

### **§601.104. Responsibility for home-heating costs.**

(a) The applicant for a cash benefit must document payment responsibility for the main fuel type of the household. If the household pays the vendor directly for heat, acceptable documentation of a home-heating responsibility for a cash benefit is a recent fuel bill or receipt from the vendor of the main fuel. A recent bill or receipt is one that was issued within two months of the date before application. If the household chooses to have the benefit paid to the vendor of its secondary fuel type, the applicant for a cash benefit shall provide documentation of a financial responsibility for both the main and secondary fuel types.

**EXCEPTIONS:** Receipts from vendors for fuel purchased during off-season periods may be acceptable. Cash benefit applications may be processed without documentation of responsibility for heat if the application indicates that the household has not moved, the vendor has not changed, and service has been uninterrupted since the last LIHEAP authorization.

(b) The applicant for a crisis benefit shall prove payment responsibility for either the main or secondary fuel type of the household. In the absence of a recent bill or receipt due to prior termination of service, documentation that service will be activated pursuant to a determination of eligibility for LIHEAP is required from the vendor.

(c) If the household pays for heat indirectly, a written or oral statement from the landlord or rental agent may be acceptable verification of a home-heating responsibility. The statement shall specify the main type of fuel used to heat the home of the applicant household.

(d) Proof of payment responsibility for either a cash or crisis benefit may be in a name other than the applicant's name in certain reasonable situations, such as the death of the person billed or credit problems of the applicant. The applicant must provide written or printed information that identifies that the household lives at the residence address, such as a bill from the vendor, driver's license, lease, mail sent to the household at the residence, etc. **EXAMPLE:** For security reasons, the LIHEAP applicant continues to have the utility bill in the name of her deceased spouse. She provides a driver's license documenting that she resides at the residence.

**§601.105. Proof of residence.**

In situations where the household is not living at its actual residence, in order to qualify for LIHEAP benefits, the household must provide documentation of the emergency or situation beyond the household's control that requires that the household live elsewhere. Appropriate documentation may include some type of written or printed information, such as a doctor's statement or letter from the Board of Health, substantiating why the household is not residing at its residence.

Upon request, the CAO will assist the applicant in providing proof of residence.

**§601.106. Social Security numbers.**

Verification of Social Security numbers is not required for household members whose Social Security numbers had previously been verified and are available in a LIHEAP or public assistance case record. An applicant who does not have a social security number or refuses to disclose it shall complete an energy assistance affidavit.

**§601.107. Questionable information.**

The LIHEAP administering agency may require the applicant to verify information affecting eligibility that appears to be incomplete, unreasonable, or inconsistent with known facts.

**§601.108. Proof of energy crisis.**

The applicant for a crisis benefit must provide proof that the household is experiencing a home-heating emergency.

NOTE: An individual scheduled for automatic delivery service is protected from having a home-heating emergency and therefore does not qualify for a LIHEAP crisis grant. An individual no longer participating in automatic delivery service may be eligible for a LIHEAP crisis grant.

**§601.109. Alien status.**

The applicant must provide proof of alien status for each alien who resides in the household. Documentation consists of a document issued by U.S. Citizenship and Immigration Services (USCIS). Refer to the Chart at end of Appendix B for examples of acceptable documentation.

**CLIENT RIGHTS**

**§601.121. Confidentiality.**

(a) Information about a LIHEAP applicant or recipient is confidential and may be disclosed for only the following purposes.

(1) To aid in the investigation or prosecution of suspected fraud in connection with LIHEAP; or

(2) To cooperate with Federal or State authorities regarding LIHEAP audits, reviews, and investigations.

(b) If the client concurs, the LIHEAP administering agency may disclose only that information about the applicant or recipient household that is needed to help the household apply for or obtain other forms of home energy assistance.

**§601.122. Nondiscrimination.**

DPW assures that no person on the basis of race, color, sex, age, handicap, religion, national origin or ancestry, or political belief will be excluded from participation in LIHEAP, denied LIHEAP benefits or be subject to discrimination in an activity or project receiving LIHEAP funds.

**§601.123. Appeals and fair hearings.**

(a) Applicants may appeal and receive a fair hearing of their claim for LIHEAP if the applicant believes that benefits are unjustly denied or unreasonably delayed or may appeal and receive a fair hearing of a decision regarding overpayments.

**EXCEPTION:** Applicants do not have the right to a fair hearing if the program closes prior to authorization of benefits due to lack of funds, or if application is made after the close of the program.

(b) Client rights and procedures for appeals and fair hearings appear in Chapter 870 of the Supplemental Handbook (relating to appeal and fair hearing).

(c) Upon request, LIHEAP staff will help the client with any aspect of the appeal and fair hearing process.

**OVERPAYMENTS**

**§601.141. Overpayment defined.**

An overpayment is the payment of LIHEAP funds or provision of LIHEAP benefits for which the agency or person is either fully or partially ineligible.

**§601.142. Liability.**

A person or agency that receives LIHEAP funds or benefits for which it is ineligible shall repay DPW for the overpayment. **EXCEPTION:** Restitution is not required on overpayments caused solely by administrative error.

**§601.143. Fraud.**

A person who knowingly misrepresents or withholds information in order to qualify anyone for a LIHEAP benefit is guilty of fraud and subject to a penalty of a fine or imprisonment, or both.

**§601.144. Treatment of overpayments.**

(a) If an overpayment occurs because of suspected fraud, client error, or client misrepresentation, DPW will refer the overpayment for collection or prosecution to the Office of Inspector General, P.O. Box 8016, Harrisburg, Pennsylvania 17105-8016, under Supplemental Handbook Chapter 910 (relating to overpayment recovery).

(b) If an overpayment occurs because of vendor error, misrepresentation, or fraud, DPW will take progressive steps, if necessary, to seek restitution of the overpayment. In instances where vendor error has caused the overpayment, any calls or notices to the vendor regarding repayment must include a statement that repayment

must be made from vendor funds, not client funds. Progressive steps are:

(1) DPW will notify the vendor of the overpayment by telephone to request repayment within 10 days of the telephone call.

(2) If, after 10 days of the telephone call, the vendor fails or refuses to repay DPW for the overpayment, DPW will send a written notice to the vendor requesting restitution.

(3) If, after 10 days from the date of the written notice, DPW has still not received restitution from the vendor, DPW will send the vendor a notice by certified mail. This notice will inform the vendor that unless restitution is paid within 10 days, DPW will remove the vendor from the list of participating LIHEAP vendors and will refer the overpayment for investigation and collection.

(4) If, after 10 days from the date of the notice by certified mail, the vendor fails to return the funds, DPW will remove the vendor from the list of participating vendors and refer the overpayment to DPW's Office of Legal Counsel for investigation and collection.

(c) If an overpayment occurs that was not caused by fraud, error or misrepresentation, by either the client or the vendor, the overpayment will be considered an administrative error and no restitution is required. Neither the client nor the vendor will be held responsible for repayment of administrative errors and no referral will be made to the Office of Inspector General.

#### **§601.145. Accounts Receivable**

DPW is authorized to recoup past due LIHEAP balances from vendors by debiting any current or future LIHEAP payment to the vendor for an amount equal to the outstanding unrefunded balance that is due to DPW from the vendor. A record of the balance of funds owed is established by DPW when a vendor error has occurred or a vendor has received a payment on behalf of a client who has subsequently moved to another county and is no longer a customer of the vendor. The vendor must return these funds to DPW.

DPW will send the vendor up to three notices requesting payment of the funds. If the vendor has failed to respond after the third notice, the amount of the balance of funds owed to DPW will be deducted from the vendor's next payment(s) until the funds are repaid.

The vendor acknowledges that DPW will reduce vendor payments by the amount of the balance of funds owed to allow for the expeditious collection of these debts. The vendor agrees to apply the full payment amount of each LIHEAP benefit approved by DPW to the respective account of each LIHEAP recipient whom the vendor serves.

<b>U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS) ELIGIBLE ALIEN STATUS CHART</b>
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Alien	USCIS Document
Lawfully admitted for permanent residence as an immigrant	-I-551 (Alien Registration Receipt card-Green card) -I-551 (Unexpired Temporary I-551 stamp in foreign passport) -I-94 (Arrival - Departure Record)
Asylee (USCIS Section 208)	-I-94 annotated with stamp showing grant of asylum under Section 208 -I-688B (Employment Authorization Card) annotated "274a.12(a)(5)" -I-766 (Employment Authorization -Document) annotated "A5" -Grant letter from the Asylum Office of USCIS -Order of an immigration Judge granting asylum
Refugee (USCIS Section 207)	-I-94 annotated with stamp showing admission under Section 207 -I-688B (Employment Authorization Card) annotated "274a12(a)(3)" -I-766 (Employment Authorization Document) annotated "A3" -I-571 (Refugee Travel Document)
Alien Paroled Into U.S. for at Least One Year (USCIS Section 212(d)(5))	-I-94 with stamp showing admission for at least one year under Section 212(d)(5) Periods of admission for less than one year cannot be added to meet the one year requirement
Alien whose Deportation or Removal was Withheld (USCIS Section 243(h)) (USCIS Section 241(b)(3))	-I-688B (Employment Authorization Card) annotated "274a.12(a)(10)" -I-766 (Employment Authorization Document) annotated "A10" -Order from an immigration judge showing deportation withheld under 243(h) of the INA as in effect prior to April 1, 1997, or removal withheld under 241(b)(3)
Alien Granted Conditional Entry (USCIS Section 203(a)(7))	-I-94 with stamp showing admission under 203(a)(7) -I-688B (Employment Authorization Card) annotated "274a.12(a)(3)" -I-766 (Employment Authorization Document) annotated "A3"
Cuban/Haitian Entrant (USCIS Section 212(d)(5))	-I-551 coded CU6, CU7, CH6 -I-551 Unexpired temporary I-551 stamp in foreign passport -I-94 with code CU6 or CU7 -I-94 with stamp showing parole as "Cuban Haitian Entrant" under Section 212(d)(5)
Alien who has been battered or subjected to extreme cruelty in the United States	-Collateral contacts with school counselors, health professionals, social service agency personnel, police or courts -Affidavit from person -Eye witness accounts

## **APPENDIX C**

### **WEATHERIZATION ASSISTANCE PROGRAM**

The Weatherization Assistance Program is intended to reduce national energy consumption and to reduce the impact of higher fuel costs on low-income families. Funds are provided to install a number of energy conservation measures such as building shell air-sealing, hot water conservation measures, attic and foundation insulation, and oil and natural gas furnace modifications.

It is the mission of the Weatherization Assistance Program of the Commonwealth of Pennsylvania to minimize the adverse effects of high energy costs on low-income citizens. Such adverse effects include a diminished ability to maintain utility services, including oil and coal deliveries, and to keep residences at temperatures necessary for health and comfort. This mission will be accomplished by providing high quality weatherization services, including heating system modifications, energy education and other energy conservation services, to low-income households.

This document constitutes a portion of the State Plan specifically applicable to LIHEAP for the Federal Fiscal Year 2007 program year. As such, it includes the specific energy conservation measures to be undertaken, and average costs per unit.

The Department of Energy (DOE) State Plan, submitted by the Department of Community and Economic Development (DCED), is hereby incorporated by reference. The DOE State Plan will include a tentative LIHEAP appropriation level of 15 percent of the LIHEAP block grant.

## Introduction

The Energy Conservation in Existing Buildings Act of 1976, Title IV of the Energy Conservation and Production Act (referred to as "the Act"), authorized the Federal Energy Administration, which is now part of the DOE, to establish a Weatherization Assistance Program to aid low-income households, with emphasis on those who are elderly and disabled, decrease fuel consumption and related energy costs.

The program is intended to reduce national energy consumption and to reduce the impact of higher fuel costs on low-income families. Funds are provided to install a number of energy conservation measures such as building shell air-sealing, hot water conservation measures, attic and foundation insulation and oil and gas furnace modifications.

Funds are allocated by DOE, on a formula basis, determined by the relative need for weatherization assistance among the states. The formula takes into account the number of low-income households, the percentage of total residential energy used for space heating and cooling and the number of heating and cooling degree days in each state.

In the Commonwealth of Pennsylvania, the Secretary of the Department of Community and Economic Development (hereinafter referred to as DCED), as the designee of the governor, applies for, receives and administers these funds. The funds are distributed by DCED to local governments and nonprofit organizations such as community action agencies.

It is the mission of the Weatherization Assistance Program of the Commonwealth of Pennsylvania to minimize the adverse effects of high energy costs on low-income citizens. Such adverse effects include a diminished ability to maintain utility services, including oil and coal deliveries, and to keep residences at temperatures necessary for health and comfort. This mission will be accomplished by providing high quality weatherization services, including heating system modifications, energy education and other energy conservation services, to low-income households.

Each Federal fiscal year, a State Plan is required for continued participation in the program. This document constitutes the proposed Pennsylvania State Plan for the Weatherization Assistance Program for Federal program year 2007. As such, it establishes the number of homes to be weatherized within the limits of available resources, the specific energy conservation measures to be undertaken, eligibility requirements, projected energy savings, program implementation strategies and other DOE program requirements. These requirements will apply to the LIHEAP portion of the Weatherization Assistance

Program as well. The organization and content of the proposed plan are derived directly from DOE regulations as contained in the Federal Register, 10 CFR Part 440 Final Rule, published February 1, 2002, and subsequent DOE instructions.

Guidelines provided in the Weatherization Work Plan outline allowable costs for standard weatherization activities and health and safety abatement and provide a subgrantee budget format to appropriately allocate costs for these measures.

II. Pennsylvania State Plan for the Weatherization Assistance Program

DOE estimates that Pennsylvania will be eligible to receive an initial grant of \$15,101,584 for Fiscal Year 2007. Additionally, DCED anticipates that the Department of Public Welfare (DPW) will allocate \$17,850,000, or 15 percent, of the LIHEAP appropriation funds for the Weatherization Assistance Program.

Expenditure levels and other aspects of this plan are based on a tentative DOE and LIHEAP amount of \$32,951,584. In the event that additional funding becomes available, or the total allocation is decreased, DCED reserves the right to modify this Plan in accordance with all applicable regulations and procedures. DCED understands that any changes not in accordance with the initial formula may necessitate a public hearing.

Production and Expenditure Schedule

During the period July 1, 2006 through September 30, 2007, DCED proposes to assist, through weatherization or crisis services, an estimated 11,688 units and expend approximately \$31,459,108 of both DOE and LIHEAP funds at the local level to accomplish this goal. This amount does not include State administration or State Training/Technical Assistance.

This amount includes \$14,109,108 DOE and \$17,350,000 LIHEAP funds to be allocated to subgrantees. The proposed minimum number of units to be weatherized with DOE funds is 4,088. LIHEAP funds will be used to provide weatherization services to an estimated additional 3,300 units and an estimated 4,300 households will receive services through the DCED/DPW Crisis Interface.

III. Average Cost Per Dwelling Unit

Weatherization costs are established at an average expenditure of \$2,826 per unit under both the DOE and LIHEAP funding sources. A higher per-unit average may be allowable by subgrantees under LIHEAP if authorized by DCED and if justified by costs required to carry out LIHEAP Crisis program activities.

IV. Average Cost For Materials

Authorization by DOE to utilize an approved waiver audit in the Pennsylvania Weatherization Assistance Program eliminates the requirement that an average

of at least 40 percent of funds provided for materials, labor and related costs be expended for weatherization materials.

For purposes of this plan DCED has established an average per-unit material cost of 30 percent. Based on this figure the average material support cost-per-dwelling unit is established as follows:

	Unit Cost
Materials	\$848
Program Support (and Labor)	\$1,978
Total Estimated Cost	\$2,826

V. Types of Weatherization Work to be Performed

The Weatherization Assistance Program is designed to reduce energy consumption of dwellings through the installation of energy conservation measures approved by DCED, based on their savings-to-investment ratio or cost-effectiveness. Additional measures are approved and selected as incidental repairs necessary for the safe and effective installation of the energy conservation measures, to correct an existing health or safety problem or to assure health and safety in conjunction with the installation of the energy conservation measures.

The specific methodologies to accomplish the program measures are based, to an extent, on the condition and design of the dwelling. These methodologies are further directed on individual dwelling units through blower door guided analysis and air-sealing and inspection of the heating system.

Weatherization services will include the following:

A) Energy Audit

Each dwelling unit will receive a site-specific energy audit following procedures established under National Energy Audit (NEAT) or the DOE approved Pennsylvania Energy Audit Priority List. Measures identified by the audit as having a positive savings-to-investment ratio will be considered to adequately weatherize the dwelling unit. Unless not possible due to existing dwelling conditions, the audit will include a blower door and heating system assessment to determine potential health and safety concerns and to direct appropriate heating system measures.

B) Candidate Measure Selection

Candidate measures are to be selected for installation based on the priority of their savings-to-investment ratio, taking into account;

- The structural, occupant or other considerations particular to the dwelling;
- The need and associated costs for installation of additional required measures as defined under item C, of this section;
- The contractual per-unit cost limits of the program.

Candidate Measures

The DOE approved Weatherization Priority List in conjunction with the PA Weatherization Field Standards will be used to determine the most cost effective or appropriate health and safety measures for a particular dwelling unit. The candidate measures specified by the priority list are as follows:

1. Major blower door guided air sealing
2. Heating system supply and return duct sealing
3. Duct insulation
4. Insulation (unfinished attics)
5. Insulation (finished attics)
6. Insulation (exposed ceilings)
7. Insulation (walls)
8. Insulation (foundations)

Additional guidelines for measures selection within the Audit include:

Replacement Windows and Replacement Doors are allowable as an infiltration measure if the existing window or door is deteriorated to the extent that repairs and or air sealing would not be cost effective.

Heating System Improvements will be made in accordance with parameters set forth in the PA Weatherization Field standards.

C) Additional Required Weatherization Measures

The following measures are considered cost-effective and are required to be performed on each dwelling unit when applicable:

General Heat Waste Reduction

Reduction of heat loss through the building envelope will be addressed primarily through the application of air leakage control measures identified through blower door analysis. Work crews will follow the procedures of the PA Weatherization Field Standards, established by DCED to prioritize air-sealing measures and to determine the level at which air sealing should stop.

Prioritization of air-sealing measures will follow three (3) major criteria:

- seal high volume leaks
- seal least expensive leaks
- seal leaks in areas of high pressure difference

Specific measures to reduce air leakage as identified by the blower door include, but are not limited to:

- caulking, glazing, weather-stripping and/or adjusting windows and doors to reduce air leakage or replacement of prime windows and doors where other measures are inappropriate due to an extreme deteriorated condition
- sealing fireplaces
- weather-stripping attic doors/trap doors
- sealing electrical outlets and switch boxes
- sealing interior cracks where different building materials join, such as moldings, meeting walls, and floors
- sealing convective pathways into the attic (e.g. attic stairwell, top floor ceiling fixtures, open-top partition walls into the attic, chimney or flue by-passes, plumbing or wiring chaseways)
- routing and/or dampering ventilation devices
- repairing and sealing leaks in forced air distribution systems to reduce pressure differences that contributed to air-leakage

- plugging by-passes through open joist sections with appropriate materials or through dense pack cellulose techniques in otherwise inaccessible areas
- structural patching or sealing of ceiling, wall and floor areas when required as an air-sealing measure
- sealing sill plate areas around the perimeter of basement and crawl spaces

Specific guidance and procedures for addressing general heat waste are provided in The Pennsylvania Weatherization Assistance Program field standards.

#### Water Heating Conservation Measures

Electric, gas, and oil hot water heaters are to be insulated with R-II tank wrap unless an existing safety problem cannot be corrected or insulation is prohibited by a manufacturer's warning label. A tank wrap specifically designed for this purpose is required.

Water temperature may be reduced to 120 degrees with the permission of the occupants, unless the client's life-style considerations (i.e., presence of a dishwasher and/or a large number of occupants) require a higher temperature setting. If a dishwasher is used, temperature will not be reduced below 140 degrees.

A flue damper will be installed on a hot water heater when it shares a common flue with a heating appliance which has an existing flue damper. A flue damper may be installed on a hot water heater if it is located in a conditioned space and is vented separately from the heating appliance. In a conditioned space, the first six (6) feet of hot and cold water pipes from the water heater will be insulated. In an unconditioned space (i.e., no heat source exists and/or the temperature approximates the outside temperature), the entire run of hot and cold pipe will be insulated. Low flow shower heads and faucet flow restrictors may be installed on functional showers and faucets with the approval of the occupant; where no additional plumbing or repair is necessary; or which will be repaired as a minor hot water leak.

Low flow shower heads must be self-cleaning with a maximum flow rate of 3.0 gpm, not less than 2.0 gpm at 40 psi.

Minor hot water leaks may be repaired if it can be accomplished with minimal liability and expense (e.g., replace washers, tighten fixtures, etc.).

### Electric Baseload Measures

Measures to reduce electric usage within the dwelling and may include installation of compact fluorescent lighting, refrigerator, dehumidifier, replacement, as well as other measures to reduce electric consumption.

### Client Education

Individualized, in-home energy education is provided to program participants by an agency-designated Education Specialist. Depending on the agency, this may be a person hired specifically for this purpose or an existing position(s) whose responsibilities include energy education.

The purpose of the education is to motivate the resident to actively practice energy conserving behavior in the home, thus maximizing the energy savings resulting from weatherization.

Client Education includes, but is not necessarily limited to:

- an explanation of the weatherization treatments to be provided and how to use and maintain them properly to maximize savings; and
- informing residents of other energy-savings behaviors not directly related to the weatherization measures installed, e.g., thermostat setting/manual setback, energy efficient lighting, water conservation, etc.

### Incidental Repairs

Incidental repairs are those repairs necessary for the effective performance or preservation of weatherization materials. Costs will not exceed \$300 per dwelling unit, or if approved by DCED, up to a maximum of \$700 per unit. These costs are a part of the total allowable cost-per-unit.

## D) Health and Safety Measures

Weatherization should be provided in a manner that minimizes risk to workers and clients. Although the Weatherization Assistance Program is not capable of providing solutions to all health and safety issues, awareness of potential hazards is essential to providing quality services. Procedures to address potential health and safety issues include but are not limited to the following:

- Each dwelling must be individually assessed to determine the existence of potential hazards to workers and clients.

- Local agencies and their representatives are to take reasonable precautions against performing work on dwellings that will subject the client to health and safety risks. In cases where the work activities would constitute a health and safety hazard, action is required to limit or avoid particular measures which may exacerbate a health and safety problem; or, failing the ability to satisfactorily abate a health and safety problem, reject the dwelling for weatherization services.
- With regard both to immediate and long-term hazards to workers, it is necessary that agency staff maintain awareness of potential hazards associated with the weatherization process. Specifications regarding the health and safety of workers in the construction industry can be found in Construction Industry OSHA Safety and Health Standards (29 CFR 1926/1910), which is available from the US Department of Labor.
- Technical waivers will be allowed for non-performance of audit, installations and/or inspections if, in the agency's best judgement, such action will expose workers to conditions regarded as unsafe or unhealthy as determined by OSHA Construction Industry Standards.
- Health and Safety measures to be addressed either by the client prior to, or by the agency as part of, the weatherization service will include: hazard of fire; carbon monoxide; indoor air quality; asbestos; moisture problems; biological contaminant problems; and lead-based paint.

Some program requirements concerning health and safety are addressed in the current Weatherization Assistance Field Standards. Additional guidance and program requirements regarding these measures will be provided as Weatherization Directive 94-28: Health and Safety Procedures and as subsequent guidance from DCED.

Costs associated with abatement of health and safety hazards will be those material and labor costs neither supported by energy savings of a weatherization measure(s), nor expended for purposes of incidental repairs. Further, such costs will be those for permissible abatement materials and associated labor necessary to find or eliminate health and safety hazards either prior to, or resulting from, installation of weatherization materials.

E) Final Inspection

A subgrantee representative will inspect the completed work and obtain a completion verification from the client. This verification will become part of the permanent client file record and will indicate the client's satisfaction with the work performed. Also included is verification that the installed measures were explained to the occupant and that client education was provided.

## VI. Production

From 1978 through the end of program year 2004-05, a total of 435,051 units have been assisted with DOE and LIHEAP Weatherization Assistance Program funding. The proposed minimum number of units to be weatherized with DOE funds is 4,088. LIHEAP funds will be used to provide weatherization services to an estimated additional 3,300 units and an estimated 4,300 households will receive services through the DCED/DPW Crisis Interface.

## VII. Estimated Energy Savings and Other Program Benefits

### Energy Use Reduction

The 1989 National Weatherization Evaluation reported annual savings per home weatherized to be 17.3 and 17.6 Mbtus, natural gas and all fuels respectively. The 1996 Meta evaluation suggests that improved weatherization practices have produced 80 percent higher energy savings today as compared to measured savings in 1989. These improvements translate into 1996 estimated energy savings of 21.2 Mbtus and 29.1 Mbtus, natural gas and all fuels respectively.

By multiplying the proposed units (7,388) to be weatherized in 2006-07 with a combination of DOE and LIHEAP funds by the estimated savings of 29.1 Mbtus per dwelling unit, the total estimated savings for all units is 214,990 Mbtus.

By significantly improving the thermal envelope of a weatherization client's dwelling and by tuning, repairing, or replacing central heating appliances, heating fuel cost is reduced. Money, which does not have to be expended for heating purposes, is money available for paying rent, or a mortgage; thus, weatherization enhances the affordability of low-income housing stock.

## VIII. Minimum Program Requirements

Minimum program requirements as outlined under 10 CFR 440.16 include the following subsections. Where noted, these requirements remain unchanged from the previous year's State Plan.

### Eligibility Criteria for Weatherization Services

A dwelling unit shall be eligible for Weatherization assistance if a family unit occupies it:

- whose income is at or below 150 percent of the poverty level in accordance with criteria established by the Office of Management and Budget;

- which contains a member who has received cash assistance payments under Title IV (AFDC) or Title XVI (SSI) of the Social Security Act or applicable state or local law at anytime during the twelve (12) month period preceding the determination of eligibility; or
- is eligible for assistance under the Low-Income Home Energy Assistance Act of 1981, provided that such basis is at least 150 percent of the poverty level.

The U. S. Department of Health and Human Services allows eligibility for LIHEAP weatherization to be determined at or below 150 percent of the Federal Poverty Income Guidelines (FPIGs). Therefore, in accordance with DOE program regulations and with Pennsylvania's DPW, 150 percent of the FPIG is the determinant for income eligibility for all services provided under the Weatherization Assistance Program. The eligible income level for crisis services is determined annually by DPW.

Agencies may weatherize a building containing rental dwelling units wherein occupants meet the income eligibility requirements and where:

- written permission of the owner or authorized agent is obtained; and
- not less than 66 percent (50 percent for duplexes and four-unit buildings) of the dwelling units in the building are eligible dwelling units, or will become eligible dwelling units within 180 days under a Federal, State or local government program for rehabilitating the building;

Except that only those households determined income eligible may be weatherized with LIHEAP funds and in the case of vacant dwelling units, only if the specific households intended to occupy the unit have been identified and certified as eligible prior to work being done; and

- an agreement is signed by both the owner/agent and tenant and witnessed by the agency to insure that for a reasonable period of time (not less than 18 months), the tenant(s) will not be subject to rent increases or eviction unless it can be demonstrated that it is related to matters other than the weatherization work performed; and
- no undue or excessive enhancement shall occur to the value of the dwelling units.

DCED will continue to weatherize rental dwelling units in accordance with DOE regulations as identified in this Plan and Weatherization Directive 86-06: Weatherization of Rental Dwelling Units.

Reweathering of a dwelling unit is not allowable except:

- if the unit has been damaged by fire, flood, or act of God and repair of the damage to weatherization materials is not paid for by insurance; or
- that dwelling units partially weatherized during the period September 30, 1975 through September 30, 1993, may receive further weatherization assistance. These units may be counted as completions for compliance with the per-home expenditure limit. Each dwelling unit must receive a new energy audit, which takes into account any previous energy conservation improvements.
- completion of previously weatherized units is limited to 15 percent of the total units completed under each funding source within a contract period.

IX. Resolution of Client Complaints

Client complaints are to be dealt with in a timely manner, and any action taken towards resolution is to be adequately documented.

Procedure

The subgrantee is required to develop and provide to the client a form that identifies three points of contact for the resolution of a Weatherization complaint.

The document provided should indicate that these are progressive steps of notification and appeal and that they must first attempt to resolve the issue at the local level prior to involvement by the State.

Further, the information to be provided should be left with the client at the time of application. In this way, a problem that may arise at any point during the weatherization process, including income verification, may be dealt with through the complaint procedure.

- The first point of contact is the weatherization program coordinator. He or she should document the contact and take necessary action to correct the problem if it is legitimate, or to inform the client of the agency's position on the issue.
- The second is the coordinator's supervisor or the executive director who will be responsible to assure that the appropriate follow-up action was taken, or if further action is required.

- The third is the regional monitor assigned to the agency. The regional monitors will be instructed to verify that contact was made with the local agency in the manner described, prior to any action by the State. This is not meant to imply that a local agency may not contact their regional specialist or appropriate State staff for technical assistance to resolve a client complaint. The regional monitors will be instructed to verify that contact was made with the local agency in the manner described, prior to any action by the State.

If a complaint is resolved by the local agency, the nature of the complaint and the action taken to resolve the problem must be documented and maintained in the client file.

- If the complaint reaches the regional office level, the monitor will make direct contact with both the client and the agency to assess the nature of the problem, establish responsibility and recommend corrective action in writing to the agency. Upon completion of the corrective action, the agency must provide written documentation to the regional office. A copy of both documents will be forwarded to the regional monitor and to the central office and maintained in the contract file.
- If the complaint involves work quality, the monitor will inspect the unit prior to recommending corrective action.
- When the complaint involves an interpretation of program policy (e.g., income verification, liability, etc.) the State central office will make a final determination and provide its decision to the local agency. In some cases this could require referral to DOE or DCED's Legal Office.